

**Regular Meeting of the Board  
July 18, 2014  
Willamette Room, CH2M Hill Alumni Center  
Oregon State University  
Corvallis, Oregon**

**MINUTES**

**Trustees Present:** Patricia Bedient, Rani Borkar, Darald Callahan (Vice Chair), Michele Longo Eder, Elson Floyd, Orcilia Forbes, Paul Kelly, Brenda McComb, Laura Naumes, Pat Reser (chair), Taylor Sarman, Michael Thorne, and Ed Ray (ex officio)

**University Staff Present:** Ron Adams, Sherm Bloomer, Steve Clark, Glenn Ford, Mike Green, Mark Huey, Jock Mills, Kirk Pawlowski, Sabah Randhawa, Meg Reeves, Patricia Snopkowski, Marcia Stuart, and Becky Warner

**Guests:** Dan Edge (President, Faculty Senate), Deepthi Ennamuri (graduate student), Stephanie Rich (undergraduate student), and Tim Nesbitt (Chair, Higher Education Coordinating Commission)

**1. Call to Order/Roll/Declaration of a Quorum**

Chair Reser called the meeting to order at 9:00 a.m., asked the assistant secretary to call the roll, and noted a quorum.

**2. Opening Comments and Reports**

**a. Chair's Comments**

Chair Reser welcomed Tim Nesbitt, chair of the Higher Education Coordinating Commission (HECC). She noted that the meeting was the first for the Board as Oregon State's governing body and thanked the other trustees for committing their time and energy to the governance process. She also noted that trustees must be diligent and balance their interest, engagement, and authority with a clear understanding of their role in overseeing, rather than actually managing, the University's affairs.

**b. President's Report**

President Ray highlighted several items of note since the Board's meeting in March, including the death of former OSU President Paul Risser, University Commencement, the Campaign for OSU, the decision to honor veterans by recognizing Veterans Day as a University holiday, beginning in 2015 and the appointment of Ron Adams as interim vice president for research..

**c. Faculty Senate Report**

In his report, Dan Edge, president of the Faculty Senate, brought two items to the attention of the Board: a proposal that the Board receive a report from the Faculty Senate at each of the Board's regular meetings and a summary of the recommendations from the Faculty Senate's Faculty Status Committee on working conditions for non-tenure track faculty as OSU. The committee's recommendations covered five categories: compensation, job security, promotion, advocacy for non-tenure track faculty, and accountability and transparency.

**d. Higher Education Coordinating Commission Report**

Mr. Nesbitt provided updates on the 2015-17 Biennium funding request, allocation formulas, and access and affordability. He noted that allocation formulas beginning in the 2015-17 biennium will be outcomes-based to incentivize outcomes that meet Oregon's 40-40-20 goal. He said that formulas will focus on student access and success to encourage institutions to enroll, retain, and graduate Oregon resident students, with a particular emphasis on underrepresented populations. Mr. Nesbitt also said that the funding formulas will be developed to encourage completion of high-demand and high-reward degrees and to recognize and reward differentiation in institutional mission and scope. Discussion centered on the possible unintended consequences of shifting to an outcomes-based funding over the next decade, and trustees expressed caution that students not be adversely affected.

**3. Consent Agenda**

**a. Approval of Minutes (March 13, 2014 Regular Meeting)**

**b. Proposed Resolution Regarding Classified Information for the U.S. Department of Defense**

With a minor correction to the minutes duly noted, a motion was made to approve the minutes. The motion carried. Chair Reser asked Ms. Reeves to provide background to the proposed resolution regarding classified information for the Department of Defense. Following discussion, a motion was made and seconded to approve the resolution; the motion passed.

**4. Reports of Standing Committees of the Board**

**a. Academic Strategies Committee (May 29 and July 17 meetings)**

Mr. Kelly, chair of the Academic Strategies Committee, reported that the committee had met twice since the last Board meeting, on May 29 and July 17. He said the committee recommended changes to its charter that included the delegation of authority for academic program approvals (new programs and current program modifications) from the full Board to the Committee. He explained that the purpose for this delegation was to enable efficient movement of proposed programs through the approval process. He also explained that all program approvals or reviews would be reported to the Board.



Senior Vice Provost for Academic Affairs Becky Warner provided background on the process for program approval and described the two programs that the Committee has reviewed, approved and recommended to the Board for approval (Robotics and Religious Studies). Following discussion, Chair Reser called for a motion to approve the degree program in Robotics; Dr. Forbes made the motion, and Ms. Naumes seconded it; the motion passed. Mr. Callahan made a motion to approve the degree program in Religious Studies; Dr. Floyd seconded it. The motion passed.

**b. Finance & Administration Committee (July 8 meeting)**

Dr. Floyd reported on the activities of the Finance & Administration Committee from its July 8 meeting and commended the Committee on their involvement. He said that the Committee reviewed and recommended the 2014-15 OSU Operating Budget for approval by the Board. He also said that University Administration was in the process of developing a 10-year capital plan, debt strategies, and initial financial targets for future operating budgets.

**c. Executive & Audit Committee (March 28, April 22, June 20, and July 17 meetings)**

Ms. Reser provided highlights of the Executive & Audit Committee meetings, including the Committee's review and approval of minor adjustments made to the 2015-17 Legislative Operating & Capital Funding request submittals following the March 13<sup>th</sup> Board meeting in order to comport with additional information requests from the HECC, a review and recommendation to the Board to amend the Committee's charter to include its audit responsibilities, and a review and recommendation to the Board to adopt a proposed fraud, waste and abuse policy and a university code of ethics. Ms. Reser reported that the Committee will be reviewing presidential compensation at its August meeting.

**5. Action Items**

**a. Proposed Resolution Concerning Authority for Academic Program Approval**

Mr. Kelly made a motion that the Board adopt a resolution concerning the authority for academic program approval, which resolution included revisions to the Academic Strategies Committee charter. A roll call vote was called. On a split vote, the motion did not carry.

**b. Proposed OSU Fiscal Year 2014-15 Operating Budgets**

Finance & Administration Committee Vice Chair Elson Floyd called upon Vice President Ford and Director of Budget and Fiscal Planning Sherm Bloomer to present the proposed operating budgets for Oregon State University's Fiscal Year 2015.

Following discussion, Dr. Floyd made a motion, which Ms. Naumes seconded, to approve the proposed OSU fiscal year 2014-15 operating budgets as presented. The motion carried.

**c. Proposed University Fraud, Waste and Abuse Policy**

Following an overview of the University Fraud, Waste and Abuse Policy by Chief Audit Executive Patti Snopkowski, a motion was made by Ms. Naumes to approve the policy. The motion was seconded by Mr. Sarman and the motion carried.

**d. Proposed University Code of Ethics**

Ms. Snopkowski provided background on the proposed code of ethics, noting that it tracked with the University's shared values: social responsibility, accountability, integrity, respect, and diversity. Dr. McComb made the motion to approve the proposed university code of ethics, and Ms. Naumes seconded it. The motion carried.

**e. Proposed Amendment to Executive and Audit Committee Charter**

Ms. Reeves provided background on the proposed amendment to the E&A Committee charter to include the Committee's audit responsibilities. Ms. Bedient made the motion to approve the proposed charter amendment, and Dr. Forbes seconded it. The motion carried.

**f. Proposed Resolution Delegating Authority to University**

President Ray provided background on the proposed resolution to delegate certain authorities to the University. During the discussion, questions arose about items in addition to those listed in the resolution that might need to be included as reserved for the Board. Following discussion, Chair Reser asked that the proposed resolution be tabled for further review by the Executive & Audit Committee.

**g. Proposed Presidential Contract for FY15 and FY16**

Board Secretary Reeves explained that the proposed presidential contract for FY15 and FY16 would supersede the employment agreement with the Oregon State Board of Higher Education. Mr. Thorne made the motion to approve the proposed presidential contract for fiscal years 2015 and 2016, and Dr. Forbes seconded it. The motion carried.

**6. Discussion Items**

**a. Financing Capital Investment – “Bonds 101”**

**b. “Capital Planning 101”**

Vice President Ford introduced Associate Vice President for Finance and Administration Michael Green and Executive Director and University Architect Kirk Pawlowski who in separate presentations provided overviews of bond-funding structures and facility planning.

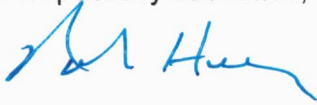
**7. Public Comments**

No comments were submitted.

## 8. Adjournment

With no further business proposed, the meeting was adjourned at 2:35 p.m.

Respectfully submitted,



Mark Huey  
Assistant Board Secretary